Council Meeting Date: April 14, 2020

Subject: One Buncombe Fund

Staff Resource(s): Sam Powers, CED Director

Action Requested: After public hearing, action to approve of an appropriation of $100,000 to the One Buncombe Fund to assist small businesses and individuals affected by COVID-19 and authorization for by the City Manager to enter into an agreement with the Buncombe County Service Foundation (BCSF) for management of the funds and to execute any and all documents necessary to give effect to the resolution; and adopt the associated budget amendment in the amount of $100,000 from General Fund unassigned fund balance.

Background:

- In response to the COVID-19 crisis, Buncombe County local governments, the business community, and other stakeholders have joined together to create a single-point relief fund for individuals and small businesses, as well as a one-stop fund for donations to help individuals and small businesses impacted by COVID-19.
- This effort is the One Buncombe Fund. At the March 24,2020 City Council meeting, Council endorsed the One Buncombe Fund concept, scheduled a Public Hearing for this meeting (April 14, 2020), and tentatively agreed to appropriate $100,000 to the Fund, subject to the Public Hearing.
- A donation/application website has been activated, www.OneBuncombe.org, with funds deposited to the Buncombe County Service Foundation (BCSF), which is an existing Non Profit organization created by Buncombe County.
- Funds placed into the BCSF One Buncombe Fund are managed by a nine-person board, which includes members of local governments including the CIty of Asheville, businesses, and philanthropic organizations. Funds will be used for individuals and small businesses that have been impacted by COVID-19.
- Funds for low and moderate income individuals who have lost employment due to COVID-19 will be delivered via the Buncombe County Health and Human Services (HHS) existing General Assistance (GA) program.
- Funds will be used for life-essential needs caused by the COVID-19 public health crisis, such as assistance with utilities, rent, and mortgages.
- Funds will be paid to the service providers, not directly to individuals. Individuals will be screened and referred to other HHS programs as needed.
- Funds for small businesses impacted by COVID-19 will be provided through loans of up to $10,000 with an initial six-month period of deferred payments of principal and interest. Small businesses are defined as those that have 1-49 employees.
- An initial interest rate of 4% will accrue during that period and rolls up into the loan at the end of the six-month period.
- Loans will be designed to provide low cost “bridge funding” to help businesses stay open and limit job losses until businesses can apply for longer-term disaster funding from SBA or other sources. The BCSF will contract with a third party, Mountain BizWorks, a non-profit community development financial institution (CDFI), to administer this business program.
- The City Attorney has advised that this initiative meets the Economic Development requirements or the Community Development requirements in North Carolina. A public hearing is required as per N.C. Gen. Stat. 158-7.1.
- Both individuals and businesses will be encouraged to donate.

Council Goal(s):

- Financially Resilient City
- Equitable and Diverse Community
- Thriving Local Economy

Committee(s):
- None.

Pro(s):
- Provides immediate economic disaster assistance from a centralized fund, administered by existing experienced program management agencies.
- Supports both individuals and businesses in Asheville.

Con(s):
- The magnitude of this crisis may require additional resources. The City is limited in available funding.

Fiscal Impact:
- This economic development appropriation is not in the current adopted budget.
- The appropriation of $100,000 would come from the General Fund unassigned fund balance.
- A budget amendment is required.

Suggested Motion:
- Motion to approve the appropriation of $100,000 from General Fund unassigned fund balance to the Buncombe County Service Foundation (BCSF) to be used in the One Buncombe Fund; to adopt the associated budget amendment; and to authorize the City Manager to enter into an agreement with BCSF for management of these funds and to execute any and all documents necessary to give effect to this resolution.

Attachment(s)
- Resolution
- Budget Amendment

RESOLUTION NO. 20-_____

RESOLUTION APPROVING A $100,000 APPROPRIATION TO THE ONE BUNCOMBE FUND AND AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE BUNCOMBE COUNTY COMMUNITY SERVICE FOUNDATION, INC. ("BCSF") TO ADMINISTER THESE FUNDS FOR THE PURPOSES OF PROVIDING EMERGENCY LOANS TO SMALL BUSINESSES AND GRANTING FUNDS TO ASSIST INDIVIDUALS IMPACTED BY THE COVID-19 CRISIS

WHEREAS, in response to the COVID-19 crisis, City, Buncombe County, other local governments, the business community, and other stakeholders are coming together to create a single-point relief fund for individuals and small businesses, as well as a one-stop fund for donations to help individuals and small businesses impacted by COVID-19; and

WHEREAS, this effort is the One Buncombe Fund campaign managed by the Buncombe County Service Foundation, Inc. (BCSF), which is an existing non-profit organization created by Buncombe County with a nine-person board, which will include members of local governments including the CIty of Asheville, Buncombe County, businesses, and philanthropic organizations. Funds will be used to assist individuals and small businesses that have been impacted by COVID-19 and BCSF will contract with experienced third-party contractors to administer these funds; and

WHEREAS, *Funds for low and moderate income individuals* who have lost employment due to COVID-19 will be administered via the Buncombe County Health and Human Services (HHS) existing General Assistance (GA) program and used to assist with life essential needs such as utilities, rent and mortgages. Funds will be paid to the service providers, not directly to individuals; and

WHEREAS, *Funds for small businesses* impacted by COVID-19 will be provided through loans of up to $10,000 with an initial 6-month period with deferred payment of principal and interest. Small businesses are defined as those that have 1-49 employees. An initial iInterest rate of 4% will accrue during that period and rolls up into the loan at the end of the 6-month period; and

WHEREAS, Loans will be designed to provide a low cost "bridge funding" to help businesses stay open and limit job losses until businesses can apply for longer-term disaster funding from SBA or other sources. The BCSF will contract with a third party, Mountain BizWorks,a non-profit community development financial institution (CDFI), to administer this business program; and

WHEREAS, the City of Asheville desires to make a $100,000.00 appropriation of funds from the City's General Fund to the One Buncombe Fund for these important emergency assistance programs; and

WHEREAS, pursuant to N.C. Gen. Stat. § 158-7.1, the City is authorized to make appropriations for economic development assistance purposes that, among other things, increase the employment or business prospects of the City; and

WHEREAS, the City Council of the City of Asheville has determined that the emergency small business loan program described herein meets the aforementioned economic development purpose; and

WHEREAS, pursuant to N.C. Gen. Stat. §160A-456, the City is authorized to expend and appropriate funds for community development activities, including, but not limited to, programs that concern the employment, economic development and welfare needs of persons of low and moderate income; and

WHEREAS, the City Council of the City of Asheville has determined that the emergency assistance program for individuals described herein meets the aforementioned community development purposes; and

WHEREAS, on March 24, 2020, the City Council of the City of Asheville approved a resolution setting the public hearing for consideration of this appropriation of funds to the Buncombe One Fund for April 14, 2020;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

An appropriation of $100,000 to the One Buncombe Fund is hereby approved and the City Manager is hereby authorized to enter into an agreement with the Buncombe County Community Service Foundation, Inc. to administer these funds for the purposes of providing emergency loans to small businesses and granting funds to assist individuals impacted by the the COVID-19 crisis, and upon the terms and conditions described herein, and to further execute any and all documents necessary to give effect to this Resolution.

Read, approved, and adopted this 14th day of April, 2020.

_____ _____

CITY CLERK MAYOR

Approved as to form:

_____

CITY ATTORNEY

ORDINANCE NO. _____

BUDGET ORDINANCE AMENDMENT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE

That the City of Asheville Fiscal Year 2019-20 Budget Ordinance be amended to provide an appropriation of $100,000 from General Fund unassigned fund balance to be utilized towards the Buncombe County Service Foundation to be used in the One Buncombe Fund as follows:

GENERAL FUND

Revenues:

Appropriated Fund Balance	$100,000.00

Appropriations:

Economic Incentives	$100,000.00

That this ordinance shall be in full force and effect upon the date of final passage.

Read, approved and adopted this 14th day of April, 2020.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney